GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:477
ANSWERED ON:18.11.2016
Inflation Indices
Deo Shri Arka Keshari;Hansdak Shri Vijay Kumar;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of FINANCE be pleased to state:

(a) whether the Wholesale Price Index (WPI) has increased whereas the retail and food inflation have shown a drop during the last three months in the country;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken/being taken by the Government to control WPI and to sustain the retail and food inflation to relieve the consumers from rising costs of fruits, vegetables and other essential commodities?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) The Wholesale Price Index (WPI) and inflation based on WPI, Consumer Price Index (CPI) and Consumer Food Price Index (CFPI) during the last three months in the country is given in Table 1.

Table 1: WPI and Inflation based on WPI and CPI (Combined)

	Aug-16	Sep-16	Oct-16
WPI	183.3	182.8	182.9
WPI inflation (%)	3.9	3.6	3.4
CPI inflation (%)	5.0	4.4	4.2
CFPI inflation (%)	5.9	4.0	3.3
WPI Vegetables inflation (%)	0.2	-10.9	-10.0
CPI Vegetables inflation (%)	1.0	-7.1	-5.7

Note: Figures for WPI for last two months and CPI, CFPI for last one month is provisional.
Source: Department of Industrial Policy & Promotion, Central Statistics Office.

The wholesale price index has marginally increased in October 2016 on account of rise in price of fuel & power and manufactured products. CPI headline inflation and food inflation based on CFPI has declined in the last three months mainly on account of decline in price of vegetables and pulses.

(c) The Government has taken a number of measures to control inflation. The steps taken, inter alia, include, (i) increased allocation of Rs. 900 crore for Price Stabilization Fund in the budget 2016-17 to check volatility of prices of essential commodities, in particular of pulses; (ii) created buffer stock of pulses through domestic procurement and imports; (iii) announced higher Minimum Support Prices so as to incentivize production; (iv) issued advisory to States/UTs to take strict action against hoarding and black marketing under the Essential Commodities Act 1955 and the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980; (v) imposed 20 per cent duty on export of sugar; (vi) imposed minimum export price (MEP) of US$ 360 per tonne on potato; and (vii) reduced import duty on potatoes, wheat and palm oil.
*****